

Message Text

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TRSE-00 OMB-01 AID-20 AGR-20 DRC-01 MBFR-04 /190 W

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TO SECSTATE WASHDC 7413

INFO AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

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E.O. 11652: N/A

TAGS: PFOR YO UR

SUBJECT: KOSYGIN VISIT TO YUGOSLAVIA

REF: BELGRADE 4344, 5358 (NOTAL), MOSCOW 1196

1. SUMMARY: LAST FIVE DAYS OF KOSYGIN VISIT (SEPTEMBER 24-OCTOBER 1) INVOLVED EXTENSIVE CONTACT WITH YUGOSLAV ENTERPRISES IN ZAGREB, SARAJEVO AND MOSTAR AS WELL AS MEETING WITH TITO ON BRIONI. PUBLIC STATEMENTS CONTAIN USUAL RHETORIC OF FRIENDSHIP AND PROMISES OF STILL CLOSER TIES IN ALL FIELDS, BUT EMPHASIZE REPETITION OF TERMS WHICH YUGOSLAV SIDE HAD SET (NON-INTERFERENCE, MUTUAL RESPECT FOR SOVEREIGNTY, ETC. END SUMMARY.

2. AFTER HIS RETURN FROM MACEDONIA, KOSYGIN'S EXPOSURE TO
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YUGOSLAV SELF-MANAGING ECONOMY CONTINUED WITH VISITS TO AGRO-

INDUSTRIAL COMBINE IN BELGRADE, ZAGREB FAIR, NIKOLA TESLA PLANT IN ZAGREB, PULA SHIPYARDS, ENERGOINVEST FIRM IN SARAJEVO, MOSTAR, DUBROVNIK. PRESS ACCOUNTS POINTED OUT THAT SEVERAL OF FIRMS VISITED ARE HEAVILY INVOLVED IN TRADE WITH SOVIETS.

3. BRIONI DISCUSSIONS BETWEEN TITO AND KOSYGIN ATTENDED BY TOP YUGOSLAV IDEOLOGIST KARDELJ, BAKARIC (LONG-TIME CROATIAN LEADER), PRIME MINISTER BIJEDIC, AND BIROVLJEV (MEMBER FEDERAL EXECUTIVE COUNCIL) AMONG OTHERS. INCLUDED ON SOVIET SIDE WERE DEPUTY FOREIGN MINISTER RODIONOV, AND ARKHIPOV (VICE PRESIDENT OF PALNNING COMMISSION). FOLLOWING DISCUSSIONS, TITO HOSTED LUNCH FOR KOSYGIN WHICH ALSO INCLUDED DOLANCE (SECRETARY OF LCY EXECUTIVE BUREAU).

4. BILATERAL ECONOMIC RELATIONS HAD MAJOR ROLE IN VISIT. TANJUG REPORTS (A) YUGOSLAVIA "WOULD BE GRANTED" ADDITIONAL \$45 MILLION SOVIET REVOLVING CREDIT IN ORDER THAT NONFERROUS METALLURGY PROJECTS UNDER CONSTRUCTION MAY BE COMPLETED AS SOON AS POSSIBLE AND (B) AGREEMENT THAT YUGOSLAV MACHINE-BUILDING INDUSTRY WILL SUPPLY 20 PERCENT OF VALUE OF INSTALLATIONS AND EQUIPMENT SUPPLIED UNDER SOVIET INVESTMENT CREDITS. KOSYGIN AND BIJEDIC REPORTEDLY AGREED THAT LONG-TERM COOPERATION, PARTICULARLY IN FUELS AND RAW MATERIALS AND IN MACHINE BUILDING, SHOULD BE DEVELOPED. WHEN BIJEDIC POINTED OUT THAT SOVIET TOURISTS CONSTITUTE ONLY 1 PERCENT OF FOREIGN VISITORS

TO YUGOSLAVIA. KOSYGIN AGREED THAT "THERE ARE OPPORTUNITIES FOR AUGMENTATION". JOINT COMMUNIQUE POINTED TO NEED FOR EFFORTS TO DEVELOP COOPERATION IN AUTOMOBILE INDUSTRY, ELECTRONICS, MECHANICAL ENGINEERING, LIGHT INDUSTRY, METALLURGY, AGRICULTURE AND TRANSPORT.

5. VISITING NIKOLA TESLA TELECOMMUNICATIONS ENTERPRISE IN ZAGREB, KOSYGIN WAS TOLD BLUNTLY BY MANAGER THAT PRESENT PRACTICE IN SOVIET-YUGOSLAV TRADE OF SPECIFYING COMMODITY EXCHANGES FOR PERIOD OF ONLY ONE YEAR LIMITS TESLA'S EXPORTS TO SOVIET UNION. IN CONTRAST TO SOVIET PRESS (SEE MOSCOW 11917), YUGOSLAV PAPERS MAKE NO REFERENCE TO ANY SPECIALIZATION OF TESLA "UNDER CEMA FRAMEWORK", BUT MERELY REPORT SIZEABLE SHIPMENTS OF TELEPHONE EQUIPMENT TO USSR. TANJUG DOES REFER, HOWEVER, TO TESLA'S ACTIVE PARTICIPATION IN CEMA COMMISSION FOR ELECTRONICS.

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6. UNUSUALLY LONG JOINT COMMUNIQUE ISSUED AFTER KOSYGIN'S DEPARTURE INCLUDES EXPECTED RHETORIC DESCRIBING EXISTING CLOSE RELATIONS IN ALL FIELDS AND CALLING FOR YET CLOSER TIES. THERE IS ONLY BRIEF REFERENCE TO TITO-KOSYGIN MEETING (SEE FOLLOWING PARA) AS "CORDIAL CONVERSATION". SECTIONS ON BILATERAL POLITICAL RELATIONS ARE TIED TO BELGRADE DECLARATION OF 1955 AND COMMUNIQUE FROM (BREZHNEV'S) 1971 AND (TITO') 1972 VISITS, UNDERSCORING RESPECT FOR SOVEREIGNTY, EQUALITY AND NON-INTERFERENCE. ONE ITEM CITED FOR

FUTURE COOPERATION WAS AN AGREEMENT TO BE WORKED OUT ON INFORMATION ACTIVITIES, CULTURE, SCIENCE AND EDUCATION. TWO COUNTRIES PLEDGED TO CONTRIBUTE TO SUCCESSFUL CONCLUSION OF CSCE, DESCRIBED AS MEANS TO IMPROVE SECURITY AND COOPERATION NOT ONLY IN EUROPE BUT IN OTHER REGIONS AND CONTINENTS AS WELL. BOTH SIDES POSITIVELY ASSESSED RESULTS OF ALGIERS NON-ALIGNED CONFERENCE AND STRESSED CONTRIBUTION OF NON-ALIGNMENT, NOT ONLY TO "STRUGGLE AGAINST IMPERIALISM" BUT ALSO TO "SOCIAL PROGRESS". ONLY REFERENCE TO "AMERICAN IMPERIALISM" WAS IN CONNECTION WITH SOVIET AND YUGOSLAV SIDES DENOUNCING ALLEGED US SUPPORT FOR "BREACHES OF PARIS AGREEMENTS PERPETRATED BY SAIGON REGIME". COMMUNIQUE CONCLUDES WITH KOSYGIN INVITATION TO BIJEDIC TO VISIT SOVIET UNION, WHICH WAS OF COURSE ACCEPTED. NO DATE WAS SET.

7. ONLY REPORTAGE OF TWO-HOUR TITO-KOSYGIN MEETING COMES FROM LUNCHEON TOASTS AS REPORTED IN PRESS. TITO MENTIONED POSITIVE POLITICAL AS WELL AS ECONOMIC RESULTS OF VISIT. HE NOTED SOVIETS HAD FOLLOWED ALGIERS CONFERENCE WITH INTEREST AND WELCOMED BREZHNEV'S SPEECH AT ALMA ATA AS "EVIDENCE THAT YOU COMPLETELY UNDERSTAND THE ROLE WHICH THE NONALIGNED PLAY IN THE WORLD, THEIR STRUGGLE AGAINST IMPERIALISM, AS WELL AS THEIR EFFORTS, TOGETHER WITH THE SOCIALIST COUNTRIES, TO MAKE THAT STRUGGLE MORE EFFECTIVE". TITO SAID FOREIGN POLICIES OF TWO COUNTRIES WERE IN ACCORD IN THAT THEY STRIVE FOR CLOSEST POSSIBLE MUTUAL RELATIONS AND ARE BOTH IN STRUGGLE AGAINST IMPERIALISM. KOSYGIN'S REPLY PRAISED NON-ALIGNMENT AS A FACTOR IN THE ANTI-IMPERIALIST FIGHT: "WE ALL WELCOME NON-ALIGNMENT AND ALL THOSE (NONALIGNED) COUNTRIES BECAUSE THEY STRUGGLE AGAINST IMPERIALISM, THEY RAISE THEIR VOICE AGAINST WAR IN CAUSE OF PEACE".

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FM AMEMBASSY BELGRADE
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8. KOSYGIN'S SPEECH IN SARAJEVO WAS MAINLY DEVOTED TO PRAISING CLOSE HISTORICAL TIES OF TWO COUNTRIES AND PEOPLES AND CALLED FOR CONTINUED CLOSE RELATIONS. AT CONCLUSION HE SAID "SOVIET PEOPLE WANT SOCIALISM IN YUGOSLAVIA TO BE CONSOLIDATED, TO BE INCREASINGLY CLOSELY CONNECTED WITH THE SOCIALIST COMMUNITY".

9. COMMENT: ALTHOUGH MOST OF PUBLIC INFORMATION ARISING FROM VISIT FALLS SQUARELY INTO POLITICAL CATEGORY, WE BELIEVE THAT MAJOR SIGNIFICANCE OF KOSYGIN'S TRAVELS AROUND YUGOSLAVIA MAY PROVE TO BE IN GENERAL BOOST THAT COULD BE GIVEN TO BILATERAL ECONOMIC RELATIONS, WHICH HAVE BEEN LAGGING. IT SEEMS TO US KOSYGIN VIST WOULD HAVE BEEN UNUSUAL VEHICLE FOR SOVIET POLITICAL INITIATIVE (OR EVEN POLITICAL STATEMENTS) OF MAJOR SIGNIFICANCE (E.E., ANY FORMULATION ON SEPARATE ROADS TO SOCIALISM), ALTHOUGH SOME FOREIGN OBSERVERS HERE HAVE BEEN TEMPTED TO FIND SUCH SIGNIFICANCE IN WHAT SHOWED UP AND IN WHAT DID NOT APPEAR IN PARTS OF WRITTEN RECORD. TRUE, KOSYGIN
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DID RETURN TO MOSCOW WITH BLESSING OF GRAND OLD MAN OF NONALIGNMENT FOR THESES THAT NONALIGNED AND SOCIALIST COUNTRIES ARE SIDE BY SIDE IN STRUGGLES AGAINST IMPERIALISM. TITO'S STATEMENT IN THIS REGARD, WHICH GOES BEYOND WHAT WE HAVE HEARD HIM SAY IN RECENT YEARS ON LINKS TO SOCIALIST CAMP, MAY PROVE TO BE USEFUL FOR SOVIETS TO HAVE ON RECORD AS ATTESTATION OF THEIR BONA FIDES AS BROTHERS-IN-ARMS IN FUTURE MOVES TO INFLUENCE NONALIGNED GROUP.

10. ON OTHER HAND, YUGOSLAVS CAME OUT OF KOSYGIN VISIT WITH ADDITIONAL EXPRESSIONS OF SOVIET SUPPORT FOR NONALIGNMENT, INCLUDING KOSYGIN'S RECOGNITION THAT NONALIGNED MOVEMENT HAS MORE VALUE THAN SIMPLY AS ANTI-IMPERIALIST EFFORT, BUT CAN ALSO CONTRIBUTE TO SOCIAL PROGRESS. THERE HAS BEEN INCREASED CONVERGENCE OF VIEW IN PUBLIC STATEMENTS ABOUT ROLE IN WORLD OF NONALIGNMENT.

11. IT SHOULD BE KEPT IN MIND THAT EVERY EXPLICIT SOVIET REPETITION OF SCARED FORMULATION ON NON-INTERFERENCE AND RESPECT FOR SOVEREIGNTY SUCH AS THAT IN JOINT COMMUNIQUE IS OF ENORMOUS IMPORTANCE TO YUGOSLAV LEADERSHIP, FAR OUTWEIGHING ANY SLIGHT EMBARRASSMENT ON ITS

PART OVER KOSYGIN'S CONGRATULATORY WORDS ABOUT A YUGOSLAVIA EVER MORE CLOSELY CONNECTED WITH SOCIALIST COMMUNITY.

12. ANY ASSESSMENT OF BENEFITS YUGOSLAVS HAVE DERIVED FROM VISIT MUST GIVE FULL WEIGHT TO IMPORTANCE OF KOSYGIN VISIT TO MACEDONIA AND HIS REMARKS THERE, AN IMPORTANT STEP IN YUGOSLAV EFFORTS TO PROMOTE MACEDONIAN "NATIONHOOD".

13. WE BELIEVE THAT DESPITE LANGUAGE IN COMMUNIQUE ABOUT DRAFTING AGREEMENT ON INFORMATION/CULTURAL ACTIVITIES THERE IS LITTLE CHANCE FOR PROGRESS IN INFORMATION AREA: SOVIETS HERE HAVE TOLD US THEY ARE NOT PREPARED TO MAKE CONCESSIONS ON RECIPROCITY.

14. KOSYGIN HAD TO STAND STILL FOR REPEATED DEMONSTRATIONS OF PROCLAIMED ACHIEVEMENTS OF SELF-MANAGING YUGOSLAV ECONOMY, BUT IN RETURN HE RECEIVED VAGUE GENERAL PROMISES TO WORK TOWARD THE CLOSER ECONOMIC AND TRADE RELATIONS WHICH SOVIETS HAD SAID WAS ON THEIR SHOPPING LIST. IF AGREEMENTS ON ADDITIONAL SOVIET CREDITS AND GREATER USE OF YUGOSLAV FACILITIES ARE WORKED OUT, SEVERELY LAGGING PACE OF IMPLEMENTATION ON 38 PROJECTS INVOLVED IN LAST YEAR'S 540 MILLION-DOLLAR SOVIET CREDIT LINE MAY BE SOMEWHAT SPED UP. HOWEVER, EMBASSY EXPECTS THAT MANY PROBLEMS -- LIMITED OFFICIAL USE

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INCLUDING THOSE OF PRICING, LOCAL FINANCING AND TECHNICAL DELAYS -- WILL REMAIN FOR SOME TIME TO COME. TOON

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